

Headquarters U.S. Air Force

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AF Logistics Transformation & The “Way Ahead”



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AFSPC/LC**

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Why We Need to Transform AF Logistics

- We must/can do **SIGNIFICANTLY** better
 - Operational Performance
 - Affordability
- Improvements limited by current business and IT architecture
 - Must change the underlying model / foundation
- Requires revolution in thinking and action
 - Cross organization/functional, enterprise wide integration
 - Benchmarks and tools readily available
- Logistics must evolve with global operational doctrine & CONOPS

We've reached the fork in the logistics road!

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Current AF Logistics Environment

- **Disparate on-going initiatives**
 - All good goals, but not common goals (puzzle pieces)
 - Improved Wing Logistics - CLR/CWO, Sep 99
 - Improved Parts Availability - Spares Campaign, Feb 01
 - Modern, Viable Depots - DMRT, Jul 01
- **No comprehensive plan for integration**
 - No understanding of corporate goals and how initiatives must integrate to meet these goals
- **No discipline**
 - Individual stake-holders unwilling to wait for or buy into the common framework
- **Existing Architectural direction and efforts at DoD and AF level**
 - Multiple architectures are being developed



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Current EA Environment

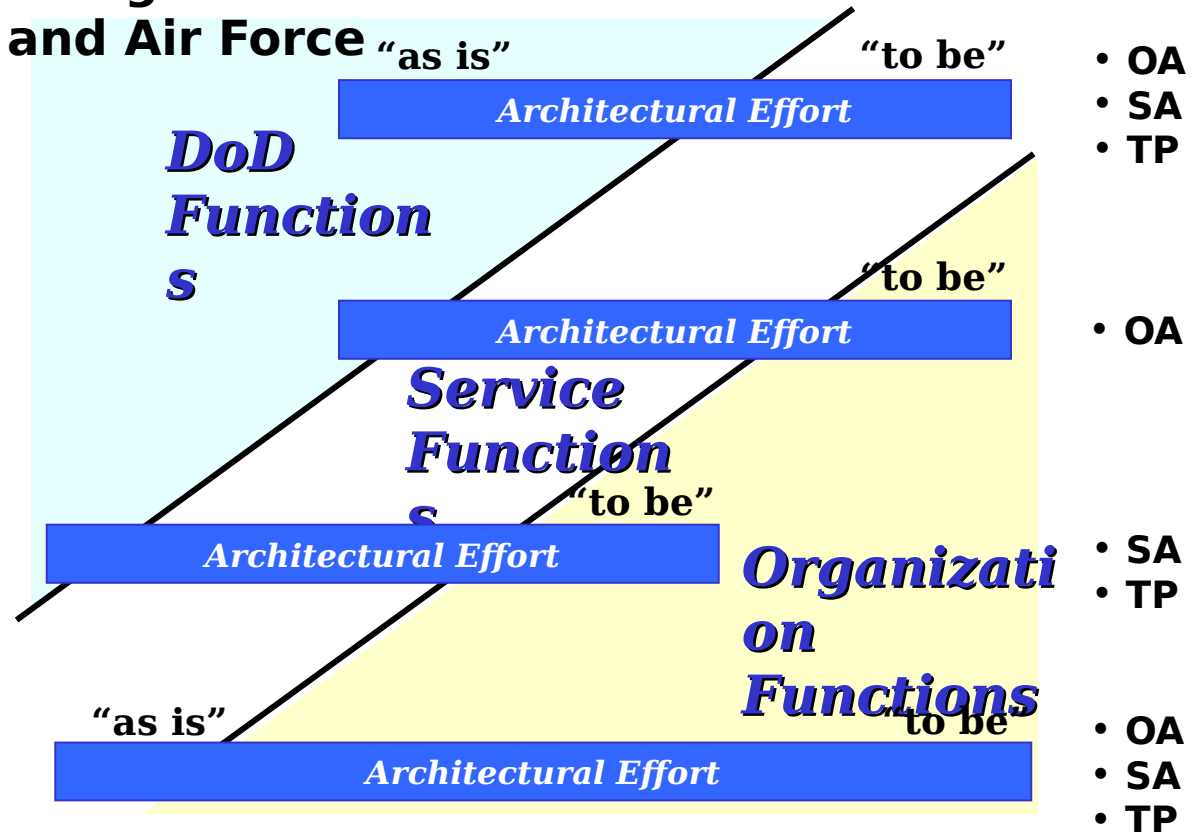
At present, there are myriad architecture efforts being undertaken at various levels across the DoD and Air Force

BMMP /
BMEA

BEA

EAIC /
AF CIO

LogEA



Each addresses aspects of logistics, and
 In t approaches enterprise architecture from a



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Using Overarching Goals to Drive Change

- **Everything we do and dollars we spend must be measured in terms of meeting performance and cost goals**
 - **Improve system Ao by 20% within the next three years**
 - **Zero real O&S cost growth over the FY04-09 FYDP**
 - **Subordinate goals must tie to overall targets**
- **Everyone in AF logistics must be held accountable for meeting their share of the goals**
 - **Rewards must be tied to goal achievement**
- **Keep it simple and direct**

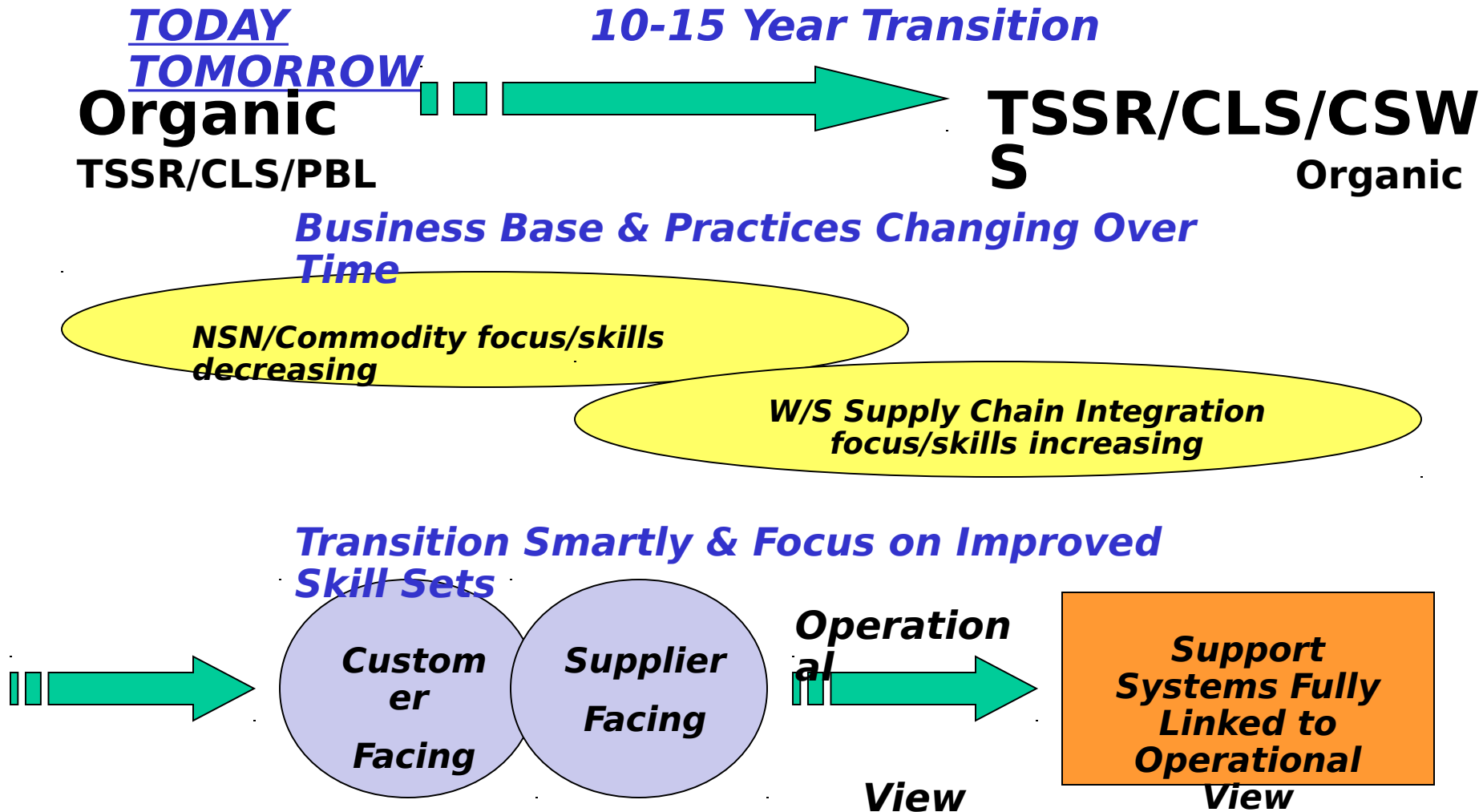
***Bring the team together—unleash the
power***

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Future AF Supply Chain Environment



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Focusing on the Enterprise

- **AF logistics Enterprise processes**
 - **Planning: Forecasting, Production, Inventory, Maintenance Planning**
 - **Supply: Distribution, Vendor Mgmt, Inventory Balancing**
 - **Maintenance: Prod Management, Shop Floor Control**
- **Across AF organizational boundaries**
 - **MAJCOMs**
 - **ALCs**
 - **Air Staff**
 - **DoD and vendors**
- **Considers domain intersections**
 - **Installations**
 - **Financial**
 - **Acquisition**
 - **Human Resources**



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Defining an Enterprise

Architecture (EA)

- The explicit description and documentation of the current and desired relationships among business and management processes and information technology. (OMB)
- Specifically, the LogEA will:
 - Create a single authoritative source that clearly defines the operating and systems models;
 - Provide vehicle to ensure transformation coordination across the AF and outside the AF;
 - Define actionable Transition Plan;
 - Establish a platform for managing change across the Logistics enterprise.
 - Meet future POM requirements (BMMP / BMEA)
 - Logistics Enterprise Governance
 - Undertake Portfolio Management



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LogEA Vision

Logistics Planning Business Practices

<u>Current</u>	<u>Log EA Future Vision</u>
Decentralized planning - Production, Inventory, Procurement, Transportation, Distribution	Centralized Enterprise Planning across all functions with decentralized execution - including collaboration with partners
Deployed and Home Station Planning	EAF Centric Planning
Reactive Planning with limited re-planning	Predictive Planning with dynamic and frequent re-planning
De-coupled planning and execution with long planning horizons	Continuous planning drives Execution for near term (days) and long term (years) horizons
Fragmented, uncoordinated systems	Integrated Enterprise systems
Limited Feedback, Visibility	Dynamic C3I
Limited Enterprise Planning Skills	Well led, motivated, and skilled people
Fragmented financing	Enterprise focused finance



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LogEA Operational Architecture

- **Centralized Strategic Goal Planning**
 - **Cascade capability based goals through operating plans to drive supply chain planning**
 - **Collaboratively define logistics goals with Warfighters**
 - **Develop logistics enterprise forecasts based upon AF O-Plans and training requirements**
 - **Develop budgets and allocate cost authority based on overall AF mission requirements**
 - **Single enterprise end-state vision, objectives and metrics tied to capability based strategic goals**
 - **Centrally plan for all classes of supply as well as maintenance and delivery functions**
 - **Product Lifecycle Managers will be responsible for an asset from “womb to tomb”**



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LogEA Operational Architecture

- **Centralized Inventory Planning**
 - Requirements are captured real-time at point-of-use
 - Capture time sensitive event data and causal factors
 - Use unconstrained demand plans for sourcing strategy and constrained driving operations
- **Centralized Source and Supply Planning**
 - Capacity and capability is assessed for each source
 - Strategic sourcing agreements will be developed
 - Total enterprise resources and assets are visible and available for priorities
- **Centralized Repair Planning**
 - Provide visibility of capacity and balance requirements across all sources of repair (organic, DoD, ctr, CSWS)
 - Significant and urgent changes in requirements will trigger a rapid replanning



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LogEA Operational Architecture

- **Centralized Delivery and Transportation Planning**
 - **Derive delivery requirements from supply plan**
 - **Collect and establish planning factors (time horizon, sequencing, prioritization, etc.)**
 - **Provide real time visibility of assets and requirements from across enterprise**
 - **Establish and communicate reliable delivery commitments to customers**
- **Centralized Returns Planning**
 - **Plan for retrograde requirements to utilize assets to meet enterprise goals**
 - **Use visibility of all assets, capabilities, capacities and retrograde to create an enterprise-best plan**
 - **Manage retrograde shipments to get carcasses to SOR efficiently and effectively**



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LogEA Systems Architecture

■ Information Technology

■ Systems will enable the processes to accomplish what is not possible today

- Will be integrated across business processes

- Will be real-time

- Will support Operational Requirements

 - Dynamic Re-planning, Enterprise Visibility, etc.

 - Shop Floor Planning and Control, Inventory Tracking

■ Technology will enhance systems

- Serial Number Tracking and Automatic Identification Technology

- Handheld PDA's that interact with the systems

 - Inventory orders, Work Orders, Tech Orders



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Summary

- **Contractor ICPs are an important part of the future**
 - **Considered as part of the Enterprise - not outside of it**
- **Lots of changes are in the making.....**
 - **The world as we know it will change**
 - **And it will be for the better**